

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS, PRIORITY MAIL &
FIRST-CLASS PACKAGE SERVICE CONTRACT 8
(MC2016-72)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-87

**NOTICE OF UNITED STATES POSTAL SERVICE OF
CHANGE IN PRICES PURSUANT TO
AMENDMENT TO PRIORITY MAIL EXPRESS, PRIORITY MAIL &
FIRST-CLASS PACKAGE SERVICE CONTRACT 8,
WITH PORTIONS FILED UNDER SEAL
(December 28, 2016)**

The Postal Service hereby provides notice that prices under Priority Mail Express, Priority Mail, and First-Class Package Service Contract 8, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express, Priority Mail, and First-Class Package Service Contract 8 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one business day after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

Chief Counsel, Pricing and Product Support

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December 28, 2016

ATTACHMENT A

**REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS, PRIORITY MAIL &
FIRST-CLASS PACKAGE SERVICE CONTRACT 8**

**AMENDMENT #1 OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

**REGARDING PRIORITY MAIL EXPRESS, PRIORITY MAIL,
AND FIRST-CLASS PACKAGE SERVICE**

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a shipping services contract regarding Priority Mail Express, Priority Mail, and First-Class Package Service on December 18, 2015.

WHEREAS, the Parties desire to amend Sections I.B, I.E, and Tables 4-12.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective one business day following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.B in its entirety, as follows:]

I. Terms

B. This contract applies to Customer's packages as follows:

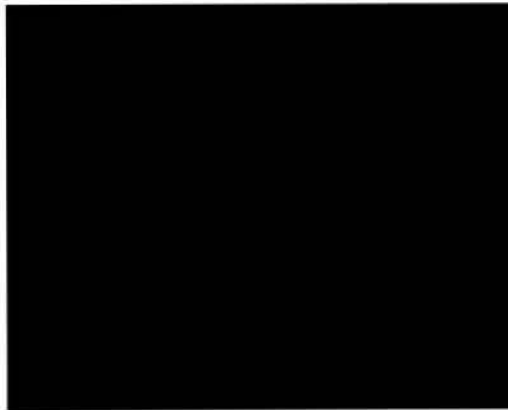
1. Priority Mail Express (PME) packages:
 - a. [REDACTED] and
 - b. Flat Rate Envelopes (collectively, "PME Contract Packages"),
2. Priority Mail (PM) packages:
 - a. [REDACTED] and
 - b. [REDACTED] and
 - c. Flat Rate Envelopes and Boxes, and
 - d. Regional Rate Boxes, (collectively, "PM Contract Packages"),
3. First-Class Package Service (FCPS) packages:
 - a. [REDACTED] ("FCPS Contract Packages").
4. PME Contract Packages, PM Contract Packages and FCPS Contract Packages (collectively, "Total Contract Packages") will count towards the annual volume commitment in Section I.E.

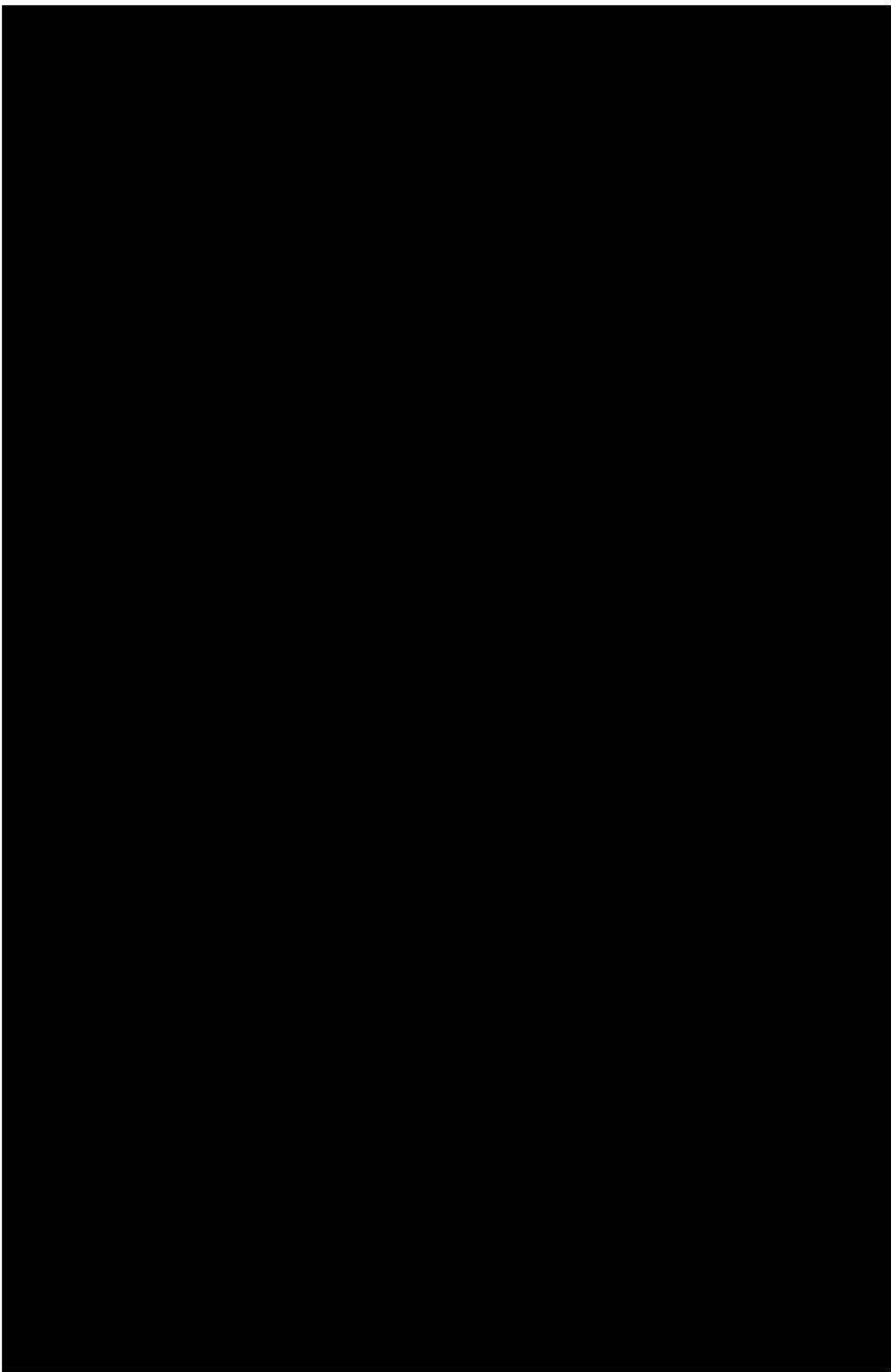
[Replace Section I.E in its entirety, as follows:]

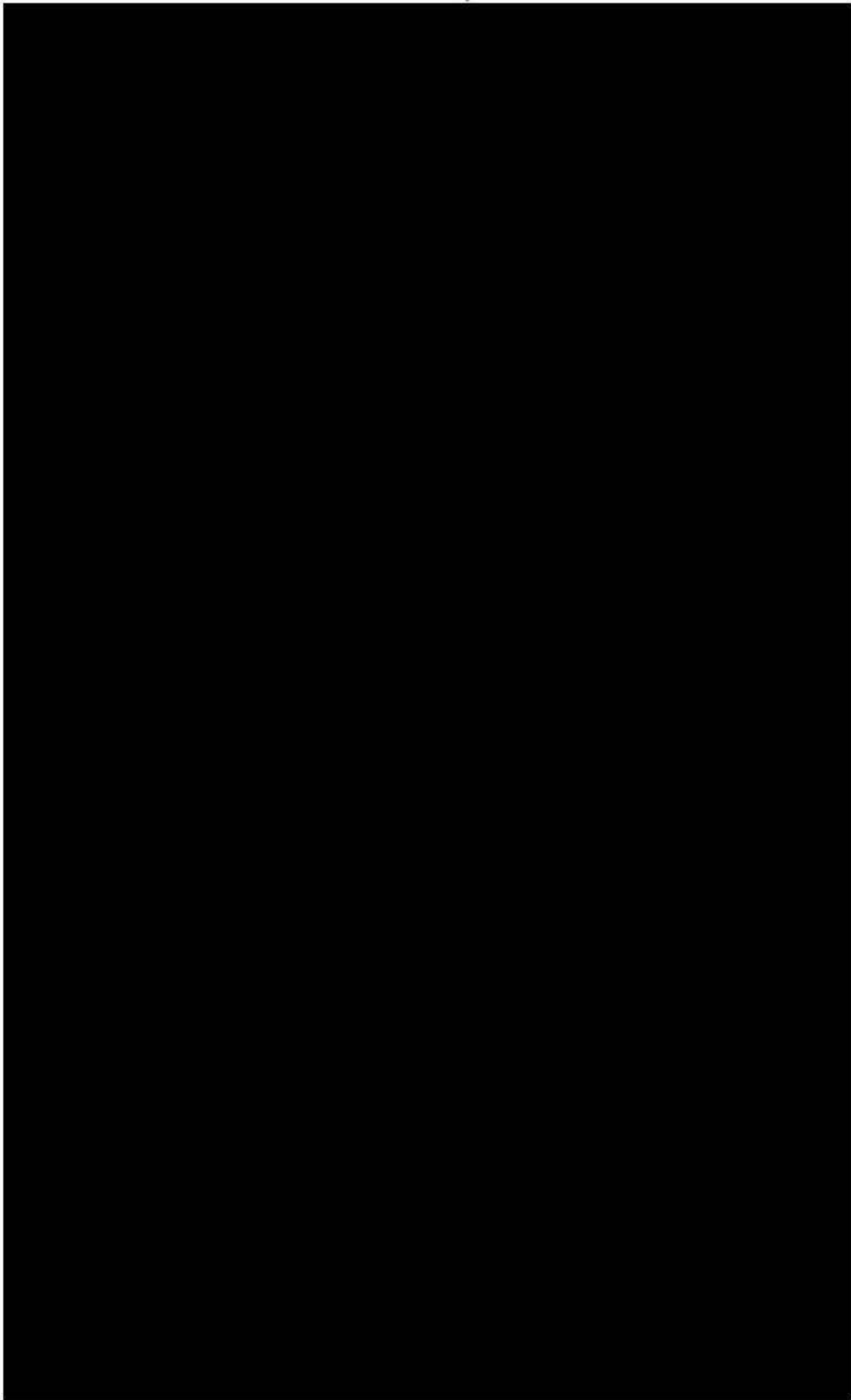
- E. Volume Commitment. Customer shall ship at least [REDACTED] Total Contract Packages annually.

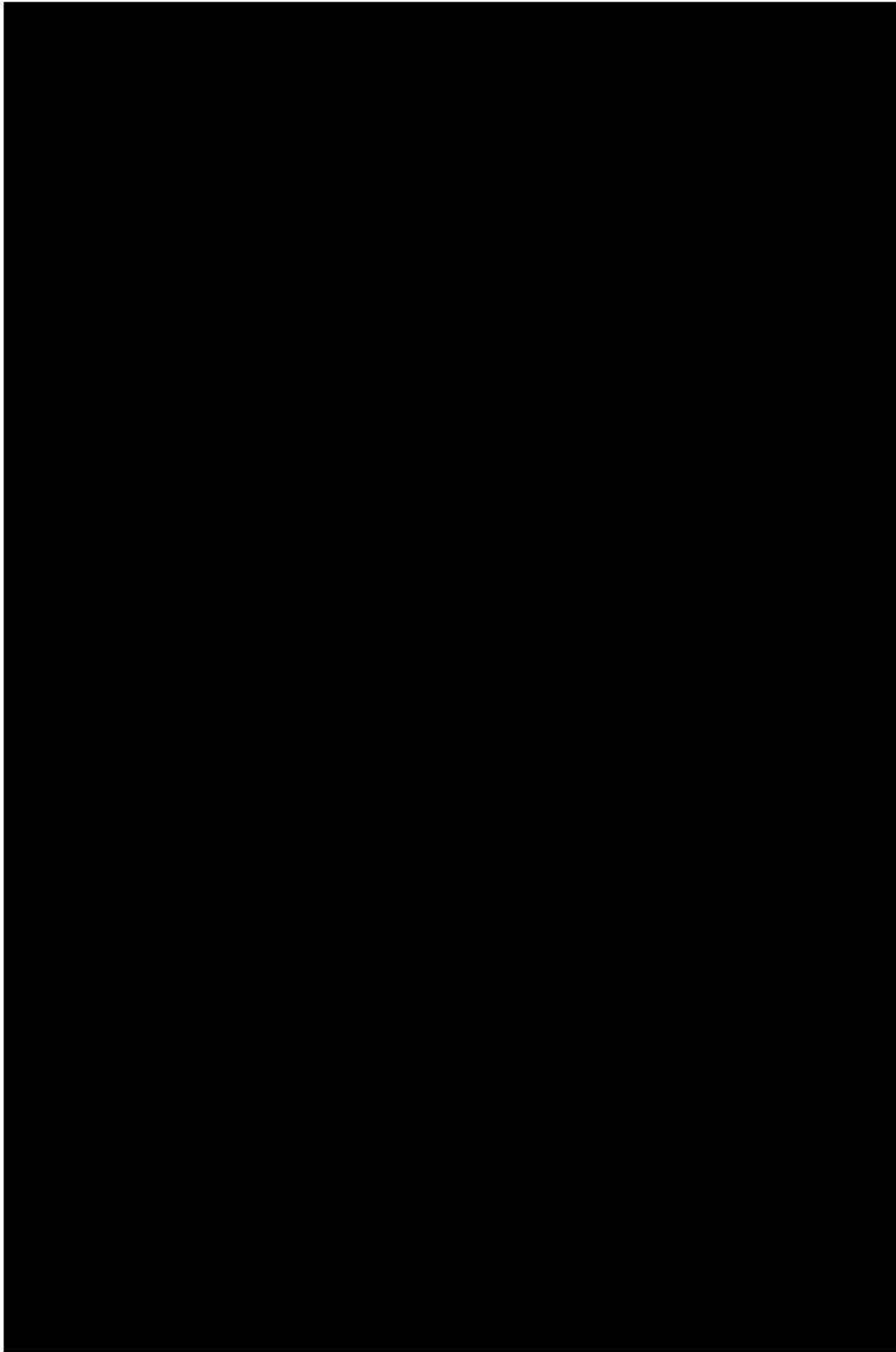
[Replace Tables 4-12, in Section I.H, in their entirety, as follows:]

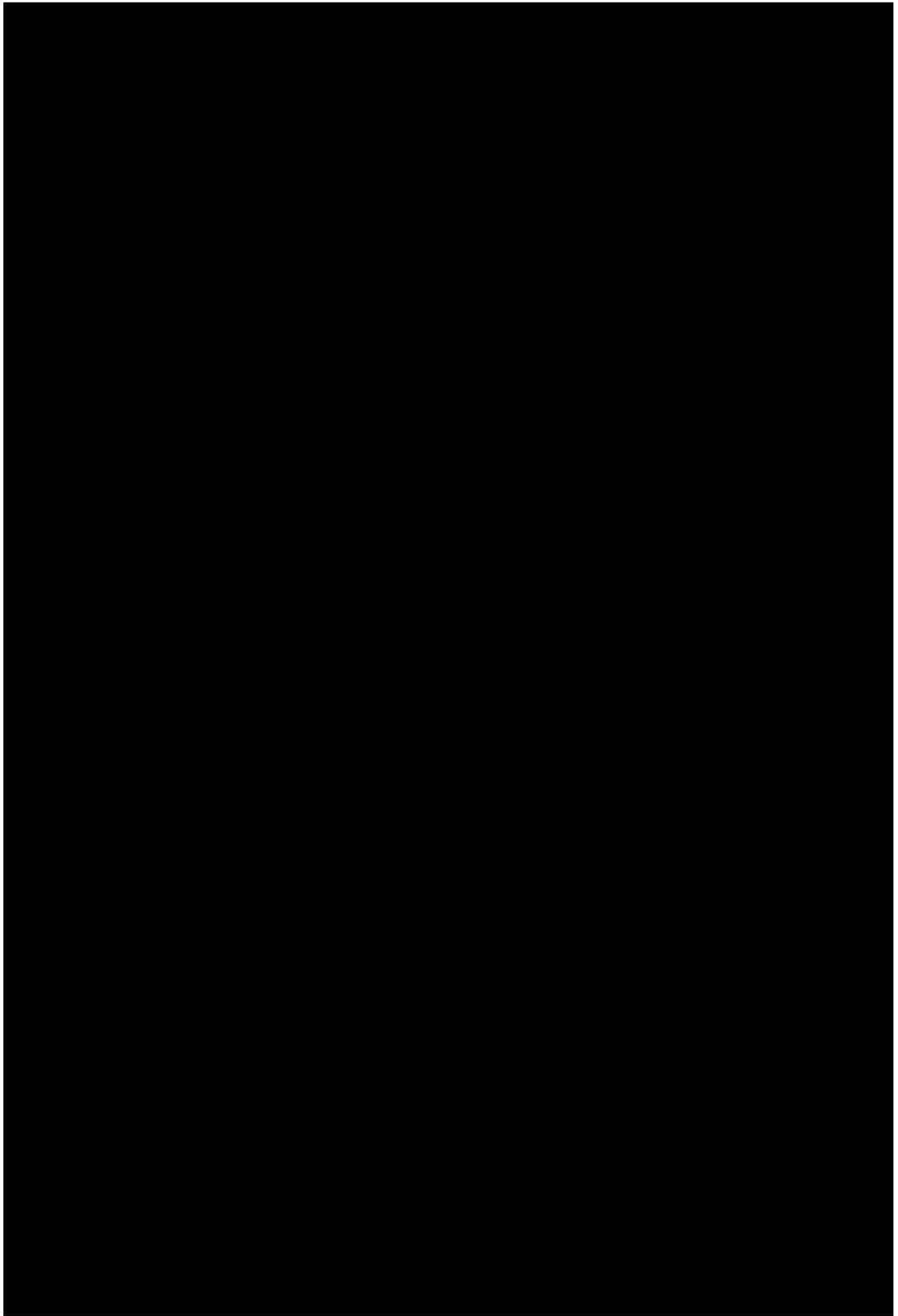
- H. Subsequent Prices.

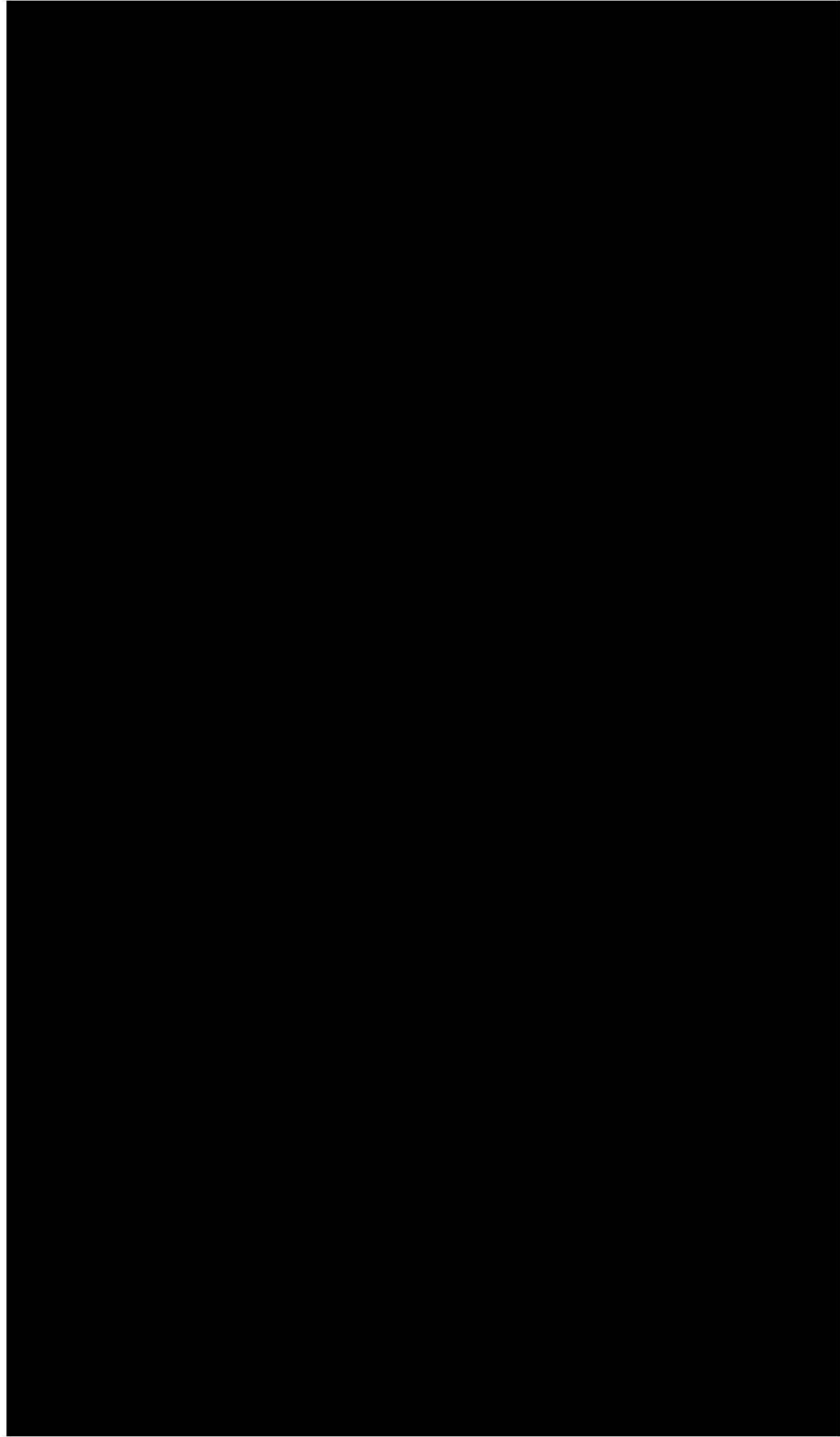


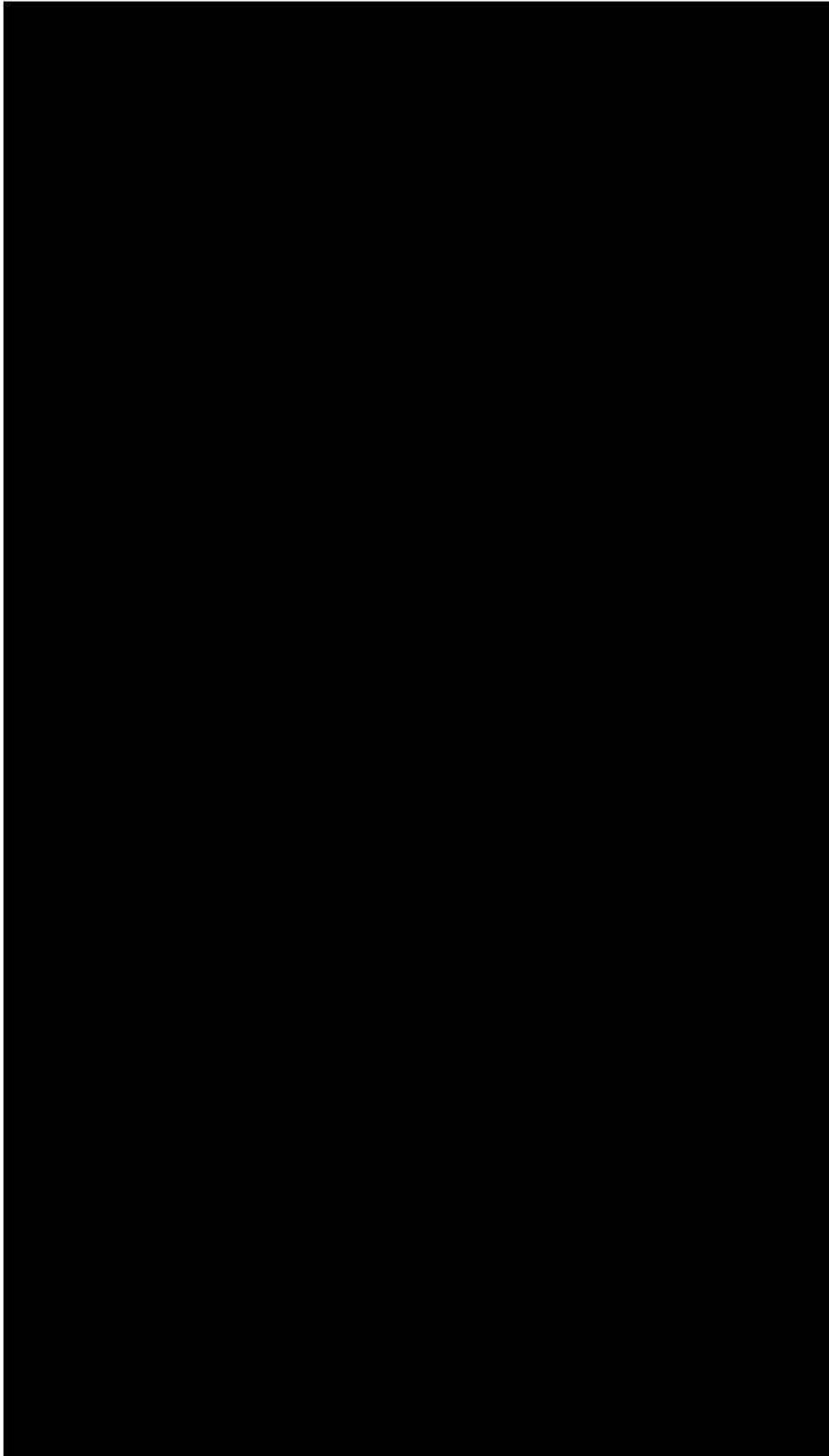


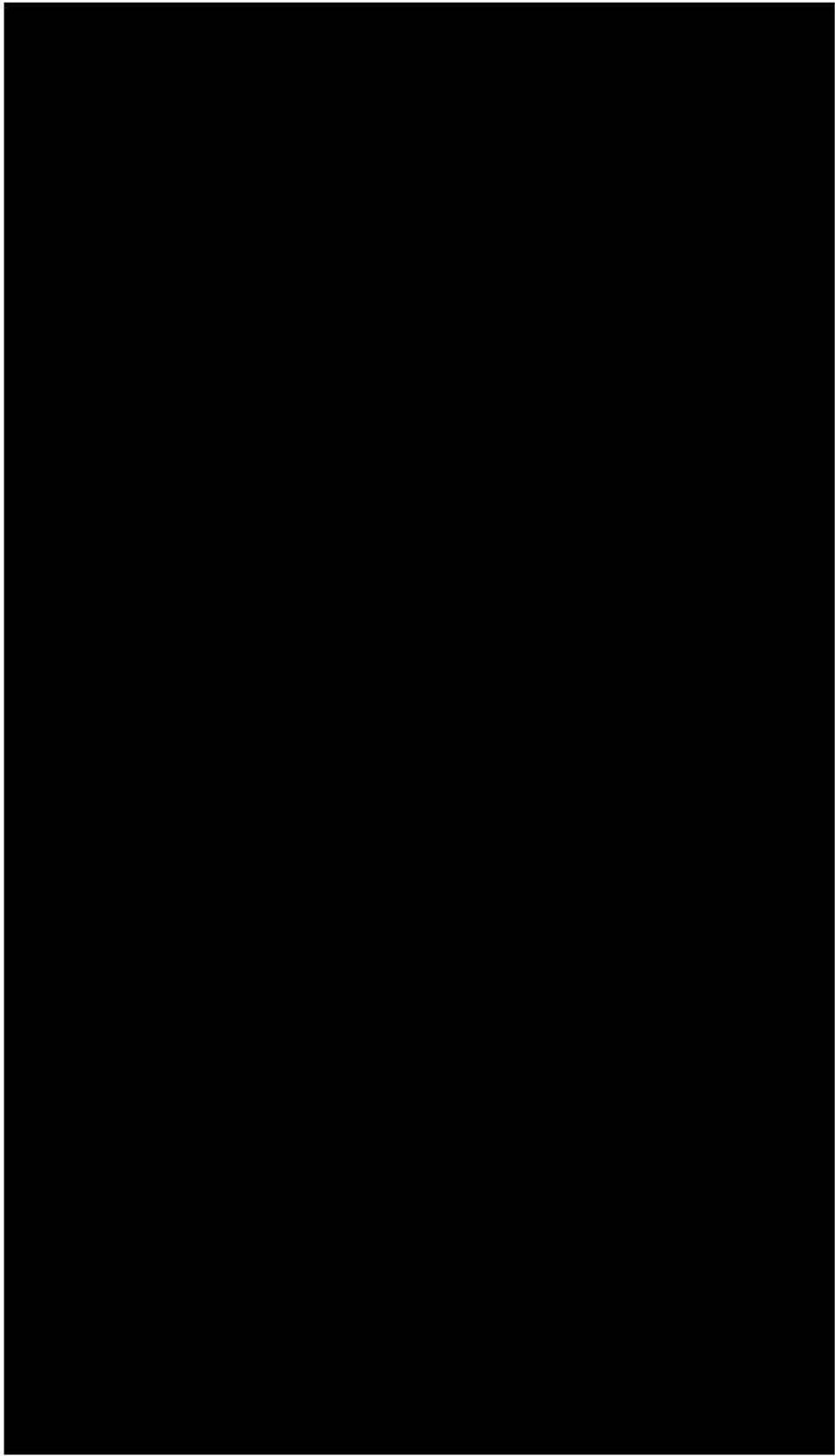


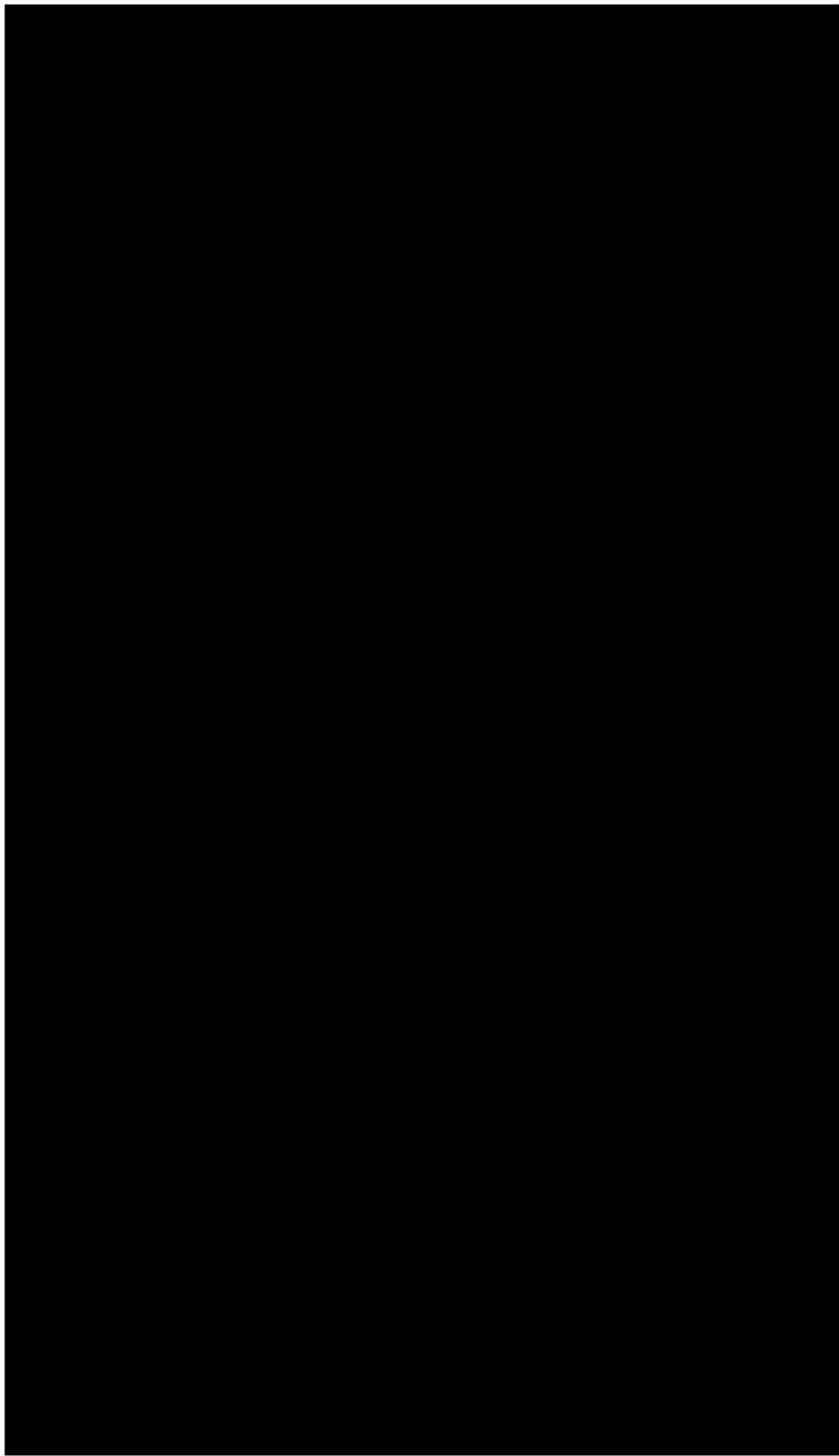












IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

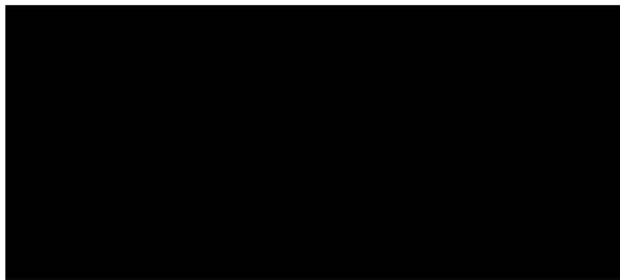
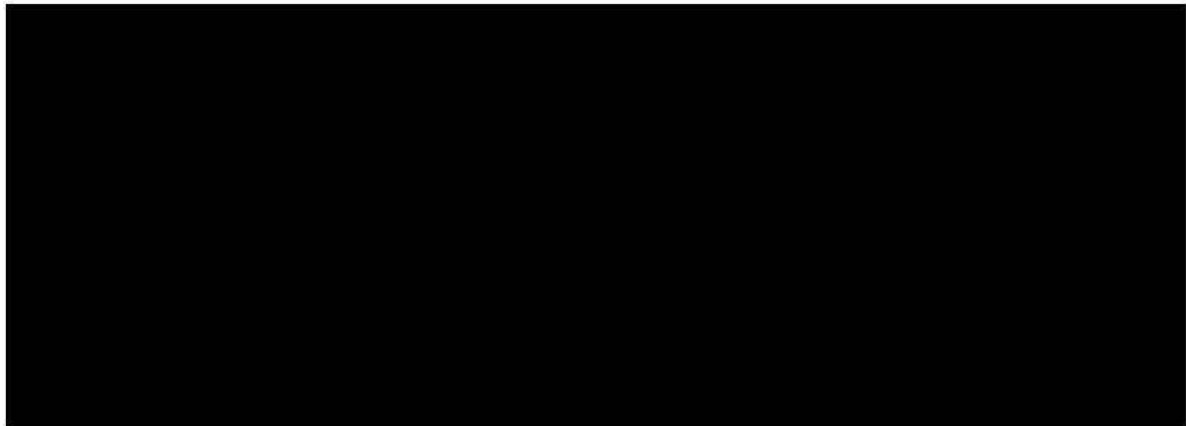
Signed by: _____

Printed Name: _____

Title: _____

Date: _____

Cliff R. Weir
Cliff R. Weir
Senior VP Sales
12/15/16

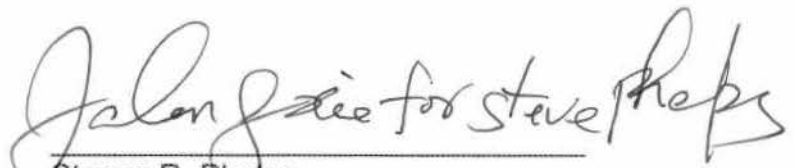


ATTACHMENT B
FINANCIAL CERTIFICATION

**Certification of Prices for Amendment to
Priority Mail Express, Priority Mail, and First-Class Package Service
Contract 8**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express, Priority Mail, and First-Class Package Service Contract 8. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on in the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.


Steven R. Phelps

12/28/16